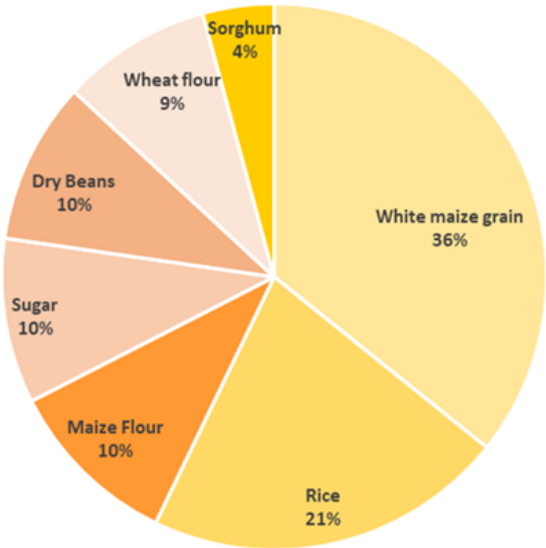
EAST AFRICA CROSSBORDER TRADE BULLETIN

FSNWG Food Security & Nutrition Working Group | **MAS** Market Analysis Subgroup

April 2024 | Volume 45

SUMMARY POINTS

Figure 1: Main Staple Food Commodities Informally Traded Across Selected Borders in Eastern Africa in the First Quarter of 2024.
Source: FEWSNET and EAGC



- In the first quarter of 2024, above-average harvests and lower prices of maize and rice boosted regional trade of these cereals. Above-average rice production in Tanzania, a ban on wetland rice production in Uganda, and high demand in deficit-producing Burundi and Ethiopia have resulted in above-average regional rice trade. Consequently, regional rice trade volumes surpassed those for beans compared to the fourth quarter of 2024, becoming the second most traded commodity in the region, following maize.
- Uganda's maize flour exports to South Sudan and sugar re-exports from Somalia to eastern Ethiopia and Kenya also contributed to increased overall regional trade activity in the first quarter of 2024.
- Bean prices are elevated throughout the region due to low initial stocks despite a good harvest. High domestic demand, conflict-related trade disruptions, and high inflation in key production zones curtailed regional sorghum trade.
- Regional livestock trade has seen an upsurge due to the high demand from domestic and Middle Eastern markets. The general upsurge in regional trade and above-average harvests have kept prices close to average in most markets. However, Ethiopia and South Sudan have experienced significant currency depreciation and high headline inflation, driving increased import prices. Prices in these countries are expected to remain elevated through February 2025.

ABOUT THIS REPORT

The Market Analysis Sub-group of the Food Security and Nutrition Working Group (FSNWG) monitors informal cross-border trade of 88 food commodities and livestock in eastern Africa in order to quantify the impact on regional food security. This bulletin summarizes informal trade across selected borders of Tanzania, Burundi, Rwanda, Uganda, Kenya, Somalia, Djibouti, Ethiopia, Sudan, South Sudan, and DRC. Cross-Border trade and price data is provided by the Famine Early Warning Systems Network (FEWS NET), the Eastern Africa Grain Council (EAGC), the Food and Agricultural Organization of the United Nations (FAO), the National Bank of Rwanda (NBR), the World Food Program (WFP), Farmgain (Uganda), FAMIS (Sudan), FSNAU (Somalia), MoA (Kenya and Burundi), RATIN all of East Africa, and the Tanzania Trade Development Authority.

Informal trade represents commodity flows outside of the formal system, meaning that activity is not typically recorded in government statistics or inspected and taxed through official channels. These flows vary from very small quantities moved by bicycle to large volumes trucked over long distances. This report does not capture all informal cross-border trade in the region, just a representative sample.

Key Commodities & Cash Crops by Country

Maize & Maize Flour:	Ethiopia, southern Somali, South Sudan, Kenya, Uganda and Tanzania
Beans:	Consumed throughout East Africa
Wheat & Wheat Flour:	Consumed throughout East Africa and is particularly important in urban areas
Rice:	Consumed throughout East Africa
Sorghum & Sorghum Flour:	Sudan, South Sudan, Northern Ethiopia, Central and Northern Somalia
Sesame:	An important cash crop for certain livelihoods in Ethiopia and Sudan

*Additional products may be covered in the annexes.

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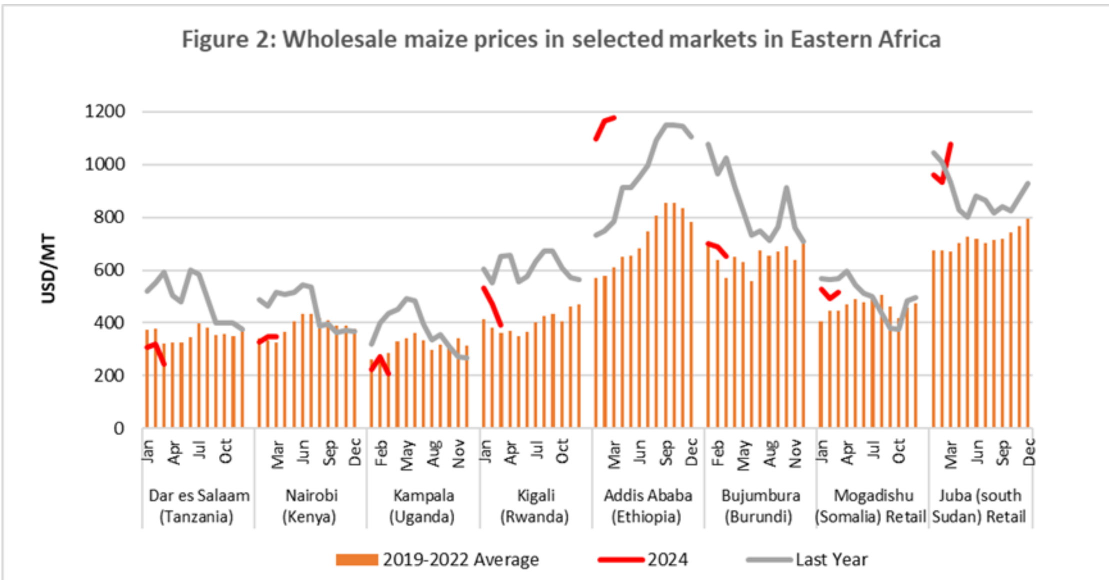
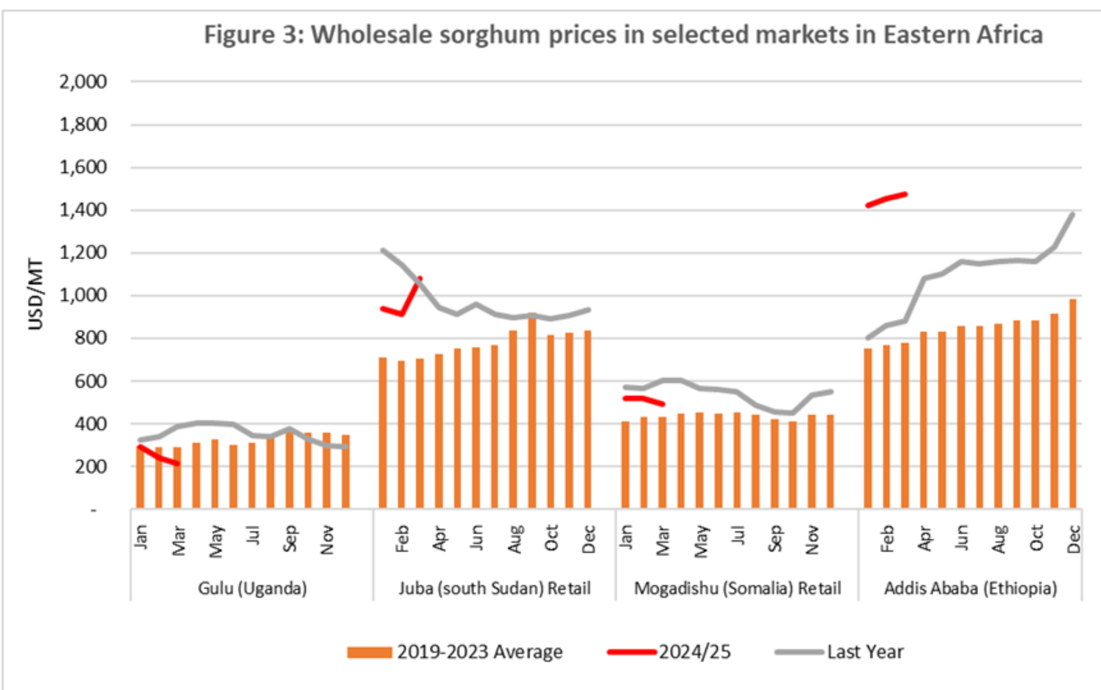
MAIZE AND SORGHUM PRICES IN EAST AFRICA 2024

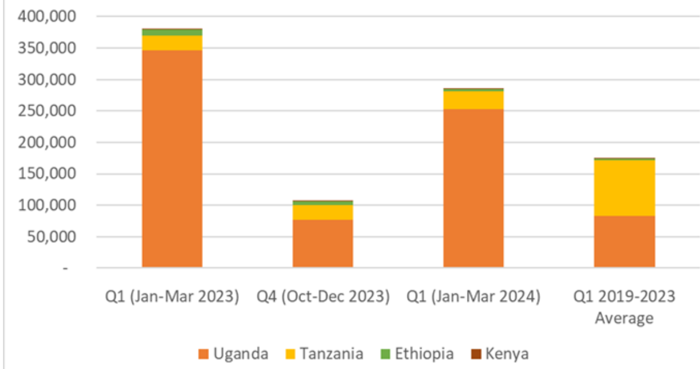
In East Africa, maize and sorghum (**Figures 2 and 3**) prices followed seasonal trends in most markets in the first quarter of 2024, with increased supply from the previous above-average harvests keeping prices below last year's and near-average levels. In the deficit-producing countries of Kenya, Somalia, South Sudan, Rwanda, and Burundi, shortfalls and demand were reduced, and prices kept below average in Tanzania and Uganda, the main producing countries. Persistent currency depreciation and higher production and transport costs drove prices above last year and significantly above average in most markets in Ethiopia and South Sudan. Additionally, El Niño-related below-average harvests in many areas of Ethiopia, except the primary-producing western region, supported higher prices.





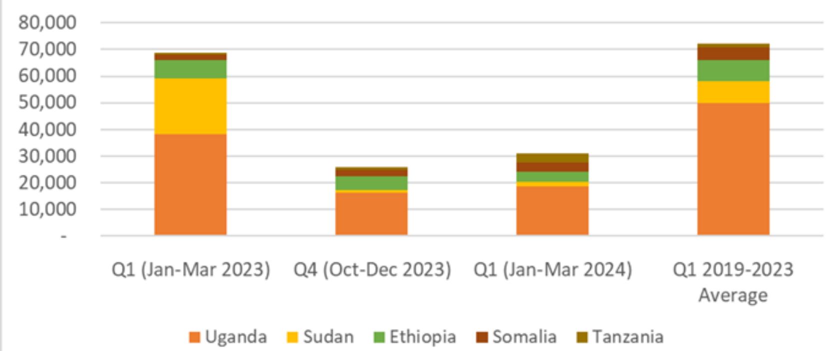
CROSS BORDER TRADE CURRENT SITUATION JANUARY – MARCH 2024

Figure 4: Maize quarterly trade in East Africa Region: MT, by Exporting Country



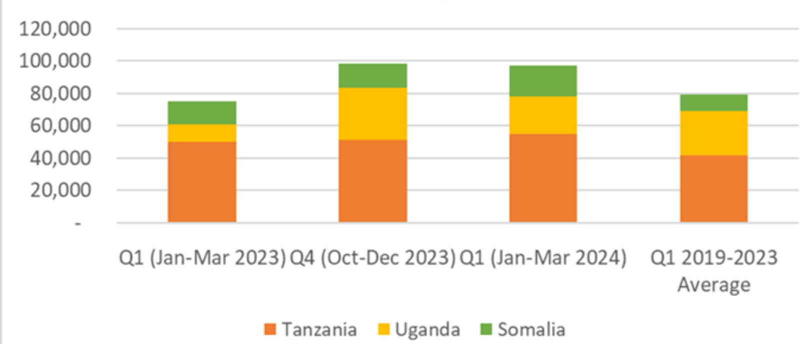
Above-average December 2023 maize harvests in surplus-producing Uganda reduced local prices. The lower prices drove 2024's first-quarter regional trade to 252,000 MT, 164 and 55 percent above the last quarter and the average levels but below the exceptional 2023 first quarter (Figure 4). Uganda contributed 89 percent of this trade. Kenya and Rwanda imported 87 and seven percent of the maize traded in the region, respectively, attracted by the lower prices despite their diminished shortfalls in maize and [Kenyan traders' rejection of some maize from Uganda due to high Aflatoxin levels](). South Sudan introduced import levies, and Tanzania's challenges with export permits curtailed imports from and exports to other countries.

Figure 5: Sorghum quarterly cross-border trade in East Africa: MT, by Exporting Country



Increased domestic consumption of sorghum, especially among a growing refugee population in surplus-producing Uganda, kept regional trade at 31,000 MT in the first quarter of 2024, 55 and 53 percent below last year's first quarter and average levels despite a 20 percent increase over the previous quarter (Figure 5). Above-average production and lower prices incentivized Uganda to export, accounting for 61 percent of the total exports. Ethiopia, Somalia, and Tanzania exported 12, 11, and 11 percent of the sorghum, respectively. Rwanda, Kenya, South Sudan, and Djibouti imported 32, 28, 21, and 11 percent of sorghum. Conflict-related supply disruptions in Sudan and higher prices in Ethiopia reduced the exports to South Sudan. The imposition of taxes on cargo by South Sudan reduced Uganda's exports to South Sudan, but Uganda remained the main source of sorghum.

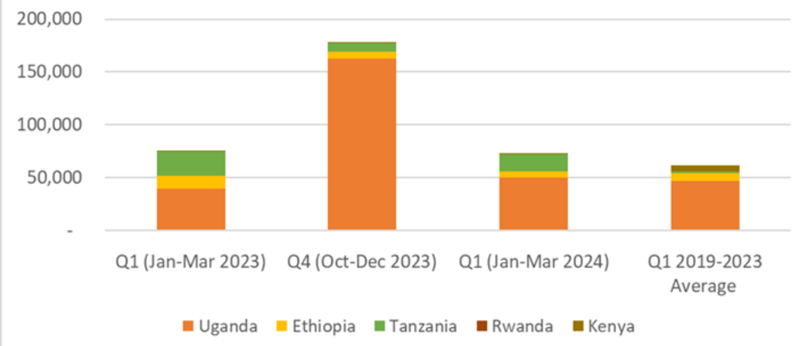
Figure 6: Rice quarterly trade in East Africa: MT, by Exporting Country



The above-average May to August 2023 harvest in Tanzania drove regional rice trade to 98,000 MT in the first quarter of 2024, similar to the last quarter but 30 percent higher than last year and average levels. Tanzania, Uganda, and Somalia contributed 56, 24, and 20 percent of the exports, respectively, while Uganda, South Sudan, and Ethiopia accounted for 26, 24, and 17 percent of the imports, respectively (Figure 6). The ban on rice production on wetlands in Uganda continued to increase the demand for rice, which increased imports from Tanzania, where an above-average harvest has reduced prices. High demand for rice in eastern Ethiopia amid higher prices of substitute commodities increased the re-exports of lower-priced overseas rice from Somalia. Similarly, higher demand in deficit-producing Burundi attracted exceptional inflows from Tanzania.

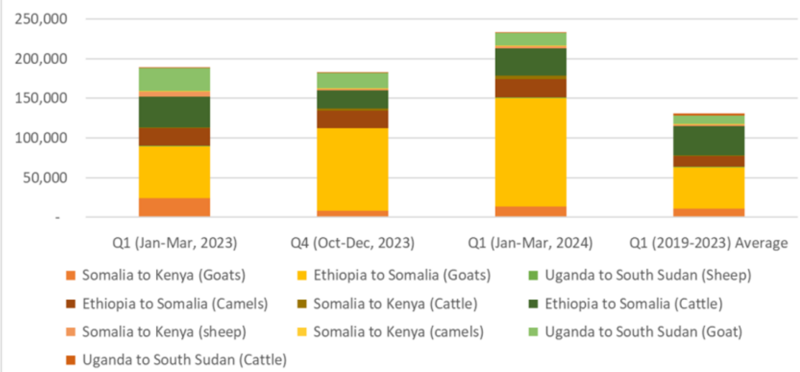
The above-average dry bean prices in Uganda, the residual impacts of the last two consecutive years of poor bean harvests, and reduced regional trade in beans to 63,000 MT in the first quarter of 2024. This amount is 59 percent lower than the previous quarter and similar to the first quarter of 2023, yet still 15 percent above average (**Figure 7**). Uganda, Tanzania, and Ethiopia contributed 70, 22, and eight percent of the exports, respectively. Meanwhile, Kenya and Uganda accounted for 82 and nine percent of the imports, respectively. Lower opening stocks and high demand in Uganda mitigated the expected price decline from the above-average harvest. In Ethiopia, inflation-related high prices and insecurity in Sudan curtailed exports while diminishing marketing margins reduced exports from Tanzania to Kenya and Burundi.

Figure 7: Dry beans quarterly trade in East Africa: MT, by Exporting Country



Higher domestic and Middle East demand has driven regional **livestock** trade by 43, 31, and 64 percent above the last quarter, the first quarter of 2023, and the recent five-year average levels, respectively (**Figure 8**). The main drivers for the increased regional trade were the livestock exports from the pastoral areas of Ethiopia to Somalia for fattening and re-exports to the Middle East for the March to June religious festivities, in addition to high demand in South Sudan and Kenya.

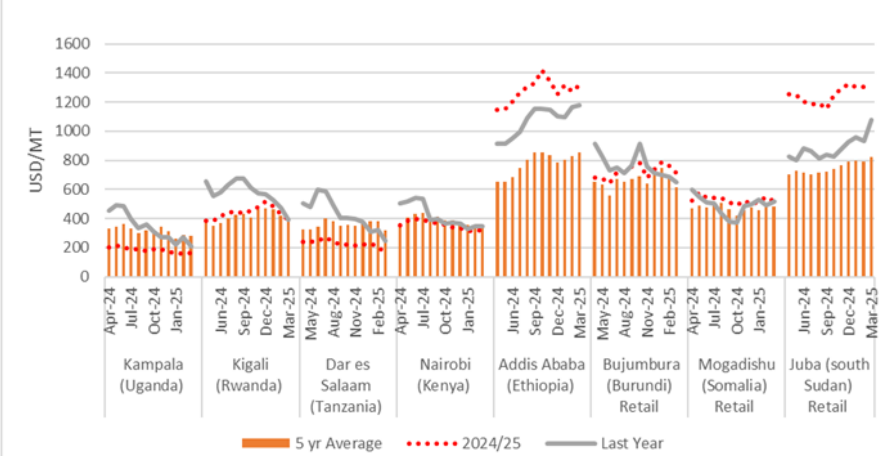
Figure 8: Livestock quarterly trade in East Africa Region: Heads, by Exporting Countries



CROSS BORDER TRADE OUTLOOK APRIL 2024 TO FEBRUARY 2025

The analysis in this section uses staple food commodity parity price trends (expressed in US dollars per MT), which may be different when analyzed in local currencies. Above-average May to December 2023 maize harvests in Tanzania and Uganda and the early start of the 2024 season in maize-producing areas will likely keep prices below average through February 2025. Lower domestic shortfalls due to the previous above-average harvest and regional imports are expected to keep prices around average in the deficit-producing countries of Kenya, Rwanda, Burundi, and Somalia. In Ethiopia, below-average harvests, high production and transport costs, and localized conflict-related trade disruptions will increase prices, reducing exports. In South Sudan, increased taxes on imports and persistent currency depreciation, exacerbated by conflict-related disruptions in oil exports in Sudan, will raise the costs of imports and maize prices. (**Figure 9**).

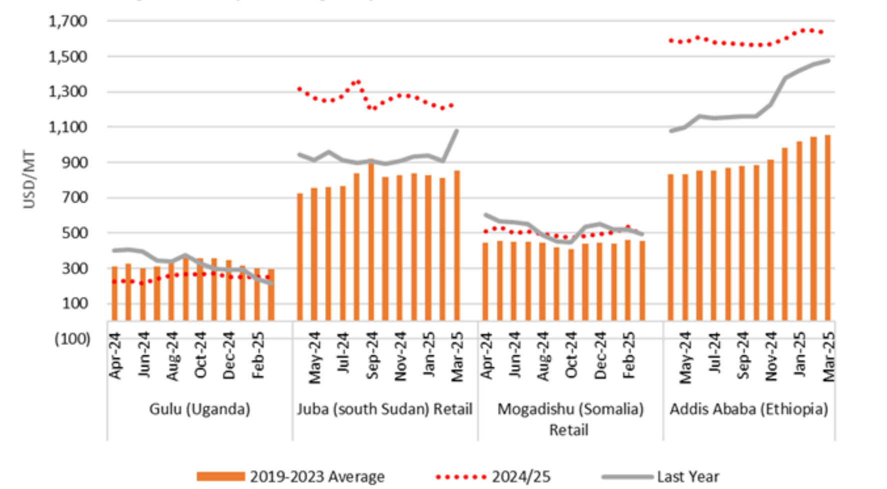
Figure 9: Projected maize grain prices in selected markets in Eastern Africa



The deficit-producing countries of Kenya, South Sudan, Somalia, Rwanda, and Burundi are expected to import **maize,** albeit at a lower level, from Uganda, Tanzania, and Ethiopia to meet their deficit. Competition for the tradable surplus within the region will likely direct more flows to Kenya and the eastern parts of the Democratic Republic of Congo, where the purchasing power and prices are relatively higher. Still, proximity to major producing areas will incentivize flows from western and southwestern Uganda to Rwanda, northern Uganda to South Sudan, and eastern Tanzania to Burundi. Maize prices are expected to follow seasonal trends across all countries but generally remain lower than last year due to increased domestic supply, except in Ethiopia, South Sudan, and Somalia, because of localized areas of below-average production, conflict-related disruptions in supply, and persistent inflation. The prices are expected to remain higher than average in most countries because of high production, fuel, and transport costs. The prices are expected to be lower than average in Uganda and Tanzania because of increased domestic supply and lower shortfalls in deficit countries. (**Figure 9**).

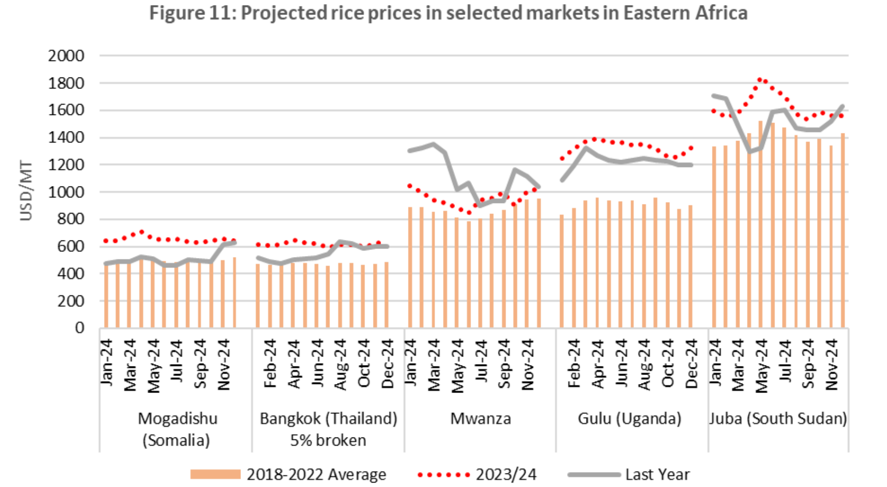
Above-average harvests and increased supply in Uganda will likely keep **sorghum** prices at just below-average levels, attracting demand from Kenya and South Sudan despite these countries experiencing reduced shortfalls from above-average to average harvests. However, South Sudan will likely increase import costs by imposing taxes on cargo and experiencing rapid depreciation of its local currency, reducing inflows. Conflicts will likely disrupt exports from Sudan to South Sudan, which is expected to decrease imports. At the same time, high inflation in Ethiopia will push prices higher, thus reducing exports to South Sudan. Somalia's below-average production and limited imports from Ethiopia will likely keep prices above average. (**Figure 10)**.

Figure 10: Projected sorghum prices in selected markets in Eastern Africa



Below-average stocks and tighter global economic conditions continue to offset increases in global **rice** production. This will likely keep global rice prices at current high levels or slightly increase, leading to higher prices in Somalia and eastern Ethiopia (**Figure 11).** Sizeable tradable surplus and lower prices, a well-developed supply chain, and aromatic rice with high water absorption will continue to drive higher rice exports from Tanzania to Kenya, Uganda, Rwanda, and Burundi and the re-exports of Tanzanian rice to South Sudan. A ban on wetland rice production in Uganda will maintain higher rice exports from Tanzania to Uganda, keeping prices near average. The rapid depreciation of the South Sudan Pound will likely result in higher rice import prices.

Figure 11: Projected rice prices in selected markets in Eastern Africa



Lower carryover and diminishing **dry bean** stocks will likely result in Uganda, Rwanda, and Kenya experiencing average cross-border trade and maintaining average prices through June. An above-average harvest is expected to press prices to below-average. High domestic demand and prices will likely reduce Tanzania's exports to Burundi, keeping prices slightly above average. In South Sudan, rapid currency depreciation and taxes on cargo are likely to reduce imports, keeping prices above average. High prices, insecurity, and deteriorating economic conditions in Sudan will restrict Ethiopia's bean exports.

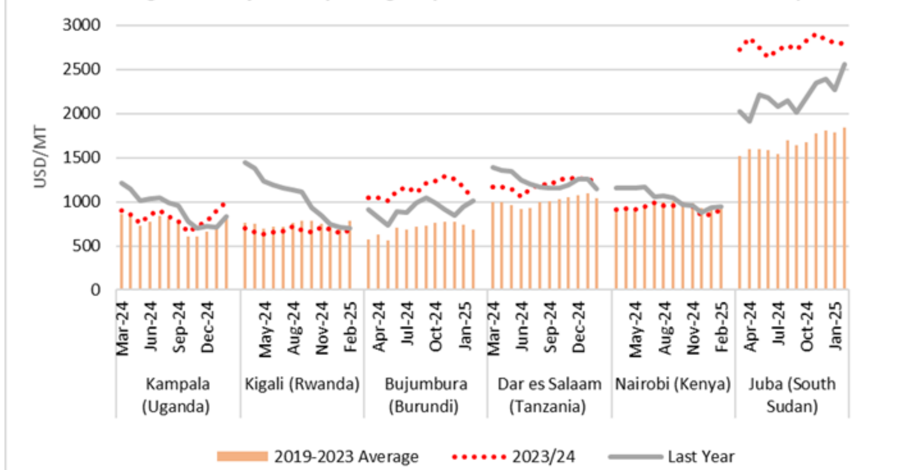


Figure 12: Projected dry bean grain prices in selected markets in Eastern Africa)

High domestic and export demand will keep **livestock** prices rising seasonably through June. After that, prices are expected to decline typically due to reduced demand following the end of religious festivities in the Middle East. Consecutive droughts, resulting in diminished herd sizes amidst high demand, are expected to keep livestock prices above average in Ethiopia and Kenya and towards average in Somalia. **(Figure 13**).

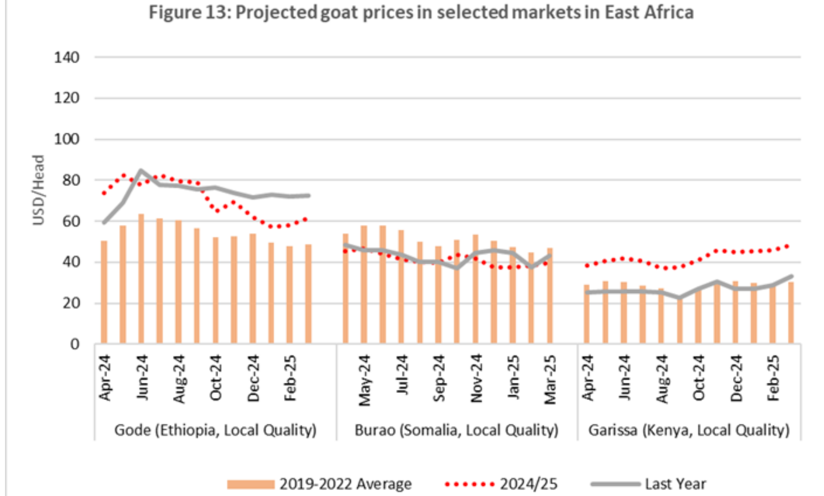


Figure 13: Projected goat prices in selected markets in East Africa

ANNEX

Table 1: Cross-border trade between January and March 2024 among selected country pairs: Key staple food commodities.

Commodity	Trade Flow Corridors (source destination)	Trade Volumes in MT (Livestock in Heads)	% Change			Historical Comparison		
			Last Quarter	Last Year	5 Year Average	Last Quarter	Last Year	Average
Maize	Uganda - South Sudan	6,323	-64%	-45%	-83%	▼	▼	▼
	Uganda - Kenya	45,898	90%	-38%	16%	▲	▼	▲
	Tanzania - Kenya	19,136	-62%	-69%	-53%	▼	▼	▼
	Tanzania - Rwanda	130	-92%	-96%	-100%	▼	▼	▼
	Ethiopia - Kenya	3	0%	-100%	-100%	►	▼	▼
	Ethiopia - Somalia	1,928	-2%	-63%	-10%	►	▼	▼
	Kenya - Tanzania	1,607	377%	2%	-46%	▲	►	▼
Sorghum	Uganda - South Sudan	2,821	-67%	-61%	-91%	▼	▼	▼
	Uganda - Kenya	6,342	113%	-49%	28%	▲	▼	▲
	Uganda - Rwanda	6,968	271%	183%	369%	▲	▲	▲
	Ethiopia - Djibouti	3	0%	-47%	-5%	►	▼	►
	Ethiopia - Somalia	2,095	212%	-59%	22%	▲	▼	▲
	Somalia - Djibouti	2,685	101%	130%	38%	▲	▲	▲
	Sudan - South Sudan	1,181	-7%	39267%	-78%	▼	▲	▼
	Sudan - Eritrea	3	0%	-81%	-99%	►	▼	▼
Rice	Uganda - South Sudan	31,982	794%	78%	-6%	▲	▲	▼
	Tanzania - Kenya	1,441	82%	-73%	-90%	▲	▼	▼
	Tanzania - Rwanda	197	-70%	-84%	-99%	▼	▼	▼
	Somalia - Kenya	1,297	130%	-39%	-24%	▲	▼	▼
	Somalia - Ethiopia	13,656	322%	10%	27%	▲	▲	▲
	Tanzania - Burundi	19,762	6%	680%	1034%	▲	▲	▲
Beans	Uganda - South Sudan	2,312	561%	-64%	-89%	▲	▼	▼
	Uganda - Kenya	147,947	3073%	501%	230%	▲	▲	▲
	Uganda - DRC	761	565%	-72%	-56%	▲	▼	▼
	Tanzania - Kenya	6,676	-15%	-39%	70%	▼	▼	▲
	Ethiopia - Kenya	6,295	-12%	129%	89%	▼	▲	▲
	Ethiopia - Sudan	131	-91%	-94%	-96%	▼	▼	▼
Camels	Somalia - Kenya	541	96%	-25%	-17%	▲	▼	▼
	Ethiopia - Somalia	21,376	273%	-18%	47%	▲	▼	▲
Cattle	Somalia - Kenya	3,106	200%	-65%	-17%	▲	▼	▼
	Ethiopia - Somalia	22,505	217%	-36%	-31%	▲	▼	▼
Goats	Somalia - Kenya	8,045	96%	-46%	25%	▲	▼	▲
	Ethiopia - Somalia	104,285	288%	32%	74%	▲	▲	▲
Sheep	Somalia - Kenya	1,961	20%	-54%	19%	▲	▼	▲
	Uganda - South Sudan	14,147	458%	-33%	96%	▲	▼	▲

Figure 14: cross-borders points monitored by FEWS NET and East Africa Grain Council in Eastern Africa